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Mr. Philip Baseil
Quick Chek Food Stores
Box 600-Old Highway
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Dear Phil:

Retail accounts throughout the country have received a letter from David Kessler of the Food and Drug Administration that outline the proposed FDA regulations scheduled to go into effect in February and those scheduled to go into effect in August of this year.

This letter may be confusing. Effective February 28, 1997, the only regulations scheduled to go into effect are those not to sell cigarettes or smokeless tobacco to anyone under 18. Other proposed regulations relative to promotion, display, and advertising are not scheduled to go into effect until August 28, 1997.

As you know the industry has challenged, in court, the FDA's authority to regulate tobacco. We have every confidence in our legal position and believe our chances of a favorable decision are very good. If we prevail, the proposed regulations in Kessler's letter will not go into effect. In the unlikely event of an adverse court decision, we have a contingency plan in place to work with the regulations currently scheduled to be effective August 28 relative to display, advertising and promotion.

I will keep you updated regarding all aspects of this very important issue.

Best Regards,

Nick Kuruc

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